GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:528
ANSWERED ON:19.07.2017
Purpose of Aadhaar Data
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the data collection under Aadhaar is only to ensure that welfare and pension scheme funds and public distribution system reach the poor or is it invasion of privacy;
(b) if so, whether such collection is infringing upon the citizens fundamental rights;
(c) if so, the areas where Aadhaar card has been made compulsory for an individual;
(d) whether Aadhaar is now primarily required for income tax returns and if so, the details thereof;
(e) whether the creation of PAN card for the purpose of income tax has failed to serve the purpose and is necessitating Aadhaar linkage; and
(f) if so, the areas which were found harmful under PAN scheme and the steps taken to overcome these loopholes in detail?

Answer

(a) and (b): The role of UIDAI, under the Ministry, is to issue Aadhaar numbers and provide authentication services for establishing identity of the beneficiaries. Accordingly, as per Section 3 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 ("Aadhaar Act, 2016"), every resident is entitled to obtain an Aadhaar number.

The usage of Aadhaar for delivery of welfare service benefits or any other purpose and the extent to which Aadhaar is to be used is to be determined by the implementing agencies such as State Governments/Central Ministries and other agencies.

The usage of Aadhaar is governed by the Aadhaar Act, 2016. Section 7 of the Act provides that the Central Government, or as the case may be, the State Government, may for the purpose of establishing identity of an individual as a condition for receipt of a subsidy, benefit or service for which expenditure is incurred from the Consolidated Fund of India, require that such individual undergo authentication, or furnish proof of possession of Aadhaar number or in the case of an individual to whom no Aadhaar number has been assigned, such individual shall make an application for enrolment. Section 7 further provides that, if an Aadhaar number is not assigned to an individual, the individual shall be offered alternate and viable means of identification for delivery of the subsidy, benefit or service.

Further, provisions of Section 57 of the Aadhaar Act inter alia permit the usage of Aadhaar number for establishing the identity of an individual for any purpose pursuant to any law or any contract to this effect with the requirement of being compliant of the provisions of Section 8 and Chapter VI of the Aadhaar Act. There is no infringement upon the citizens' fundamental rights.

The Aadhaar Act, 2016 is all encompassing legislation addressing issues of data protection and confidentiality of the UIDAI database. The Aadhaar (Data Security) Regulations & Aadhaar (Sharing of Information) Regulations, 2016 augment the measures for ensuring privacy and data protection.

(c): As on 13.07.2017, 123 schemes of various Central Ministries/ Departments have been notified under Section 7 or 57 of Aadhaar Act, 2016. In respect of these schemes, Aadhaar number is necessary for the purpose of establishing identity of an individual to enable receipt of subsidies, benefits and services etc .

(d): Section 139AA of the Income Tax Act, 1961, introduced by the Finance Act, 2017, has a provision that every person who is eligible to obtain Aadhaar number shall, on or after the 1st day of July, 2017, quote Aadhaar number or Enrolment ID of Aadhaar application form in the return of income. Vide notification number 37/2017, bearing S.O.1513(E), it has been notified that the provisions of section 139AA of the IT Act, 1961 shall not apply to an individual who does not possess the Aadhaar number or the Enrolment ID and is:

(i) residing in the States of Assam, Jammu and Kashmir and Meghalaya;
(ii) a non-resident as per the Income Tax Act, 1961;
(iii) of the age of eighty years or more at any time during the previous year; or,
(iv) not a citizen of India.

(e) and (f): PAN is the key identifier of taxable entity and aggregator of all financial transactions undertaken by the entity. One PAN for

one person is the guiding principle for allotment of PAN. However, for achieving the objective of one PAN to one assessee, it is required to maintain uniqueness of PAN.

The uniqueness of PAN is achieved by conducting a de-duplication check on all already allotted PAN against the data furnished by new applicant. Under the existing system of PAN, only demographic data is captured. Some instances were found where multiple PANs have been allotted to one person or one PAN has been allotted to multiple persons despite the application of de-duplication process based on demographic data. Linkage of Aadhaar number into PAN database will allow a robust way of de-duplication as Aadhaar number is based on biometric attributes of finger prints and iris images. Further, seeding of Aadhaar will allow weeding out any undetected duplicate PANs.

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